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Attorneys for Relator

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

[Under Seal],

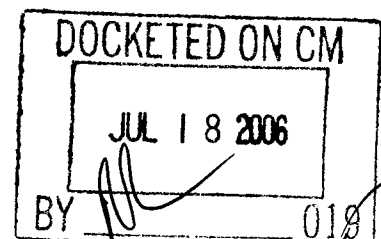
Defendants.

Civil Case Number:

COMPLAINT FOR VIOLATION OF
FEDERAL FALSE CLAIMS ACT

JURY TRIAL DEMANDED

**FILED UNDER SEAL
PURSUANT TO THE FALSE
CLAIMS ACT [31 U.S.C. § 3729 et
seq.]**



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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

UNITED STATES OF AMERICA, ex
rel. RONALD BELL,

Plaintiff,

v.

Bell Helicopter TEXTRON INC., and
TEXTRON INC.,

Defendants.

Civil Case Number:

COMPLAINT FOR VIOLATION OF
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seq.]**

Relator/Plaintiff, Ronald Bell, reserves the right to make additional
allegations and claims as he uncovers additional evidence. Based on personal
knowledge and information and belief, he alleges as follows:

SUMMARY OF THE ACTION

1
2 1. Ronald Bell (the "Relator") brings this action on behalf of the United
3 States of America to recover damages, civil penalties, and other relief arising from
4 false claims and false statements that Defendant Bell Helicopter Textron Inc.
5 ("Bell Helicopter" or the "Company") made in violation of the Federal False
6 Claims Act ("FCA"). Congress enacted the FCA in 1863 to combat war
7 profiteering, and last amended it in 1986 to increase incentives for whistleblowers
8 to come forward and to stem pervasive fraud.

9 2. This action arises from false claims, certifications, contract proposals,
10 costs reports, progress payments reports, and other documents and false statements
11 including the Company's: a) submission of fraudulent proposals for government
12 contracts based on the Company's knowledge of what it expected the government
13 would pay, rather than what it believed would be the actual costs; b) false
14 representations to having built certain prototypes to procure government contracts;
15 c) shifting of labor hours and costs from a "fixed-fee" capped contract to a "cost-
16 plus reimbursement" uncapped contract to purloining more than \$24 million in
17 government funds; and d) alteration of Company journals to facilitate fraudulent
18 charges. Based on such conduct, Bell Helicopter and its parent company, Textron,
19 Inc., are liable to the United States for penalties and damages arising from
20 knowing, deliberately ignorant, or reckless submissions of false claims and false
21 statements to obtain more than \$1 billion in federal funds. These Defendants also
22 are liable to the Relator for the retaliatory actions the Company took after he
23 refused to take part in Bell Helicopter's fraudulent conduct.

THE PARTIES

24
25 3. Ron Bell, the Relator, is a resident of Los Angeles, California. He is
26 an aeronautical engineer, who has worked on military contracts for several private
27 companies during the past twenty-five years. He joined Bell Helicopter in May of
28 1996, and continued to work for the Company until May 2006, when he

1 voluntarily left the Company to take a job with another defense contractor. From
2 March 2005 to April 2006, he served as Air Vehicle Director and Chief Engineer
3 for Bell Helicopter's H-1 and V-22 programs, where his duties included
4 supervising approximately 200 engineers as well as additional administrative
5 employees. He reported to the Program Director of Bell Helicopter's H-1
6 Program, who reported to the Company's Senior President for Government
7 Contracts and to the Chief Operating Officer. Prior to joining Bell Helicopter,
8 Relator was a consultant to the United States Special Operations Command, and
9 before that had served in the United States Air Force for 21 years. The Relator
10 worked for another defense contractor for approximately 15 years.

11 4. Defendant Bell Helicopter is incorporated in Delaware, maintains its
12 headquarters in Fort Worth, Texas, and regularly conducts business throughout the
13 United States, including the Central District of California. The Company is a
14 subsidiary of Textron, Inc.

15 5. Defendant Textron, Inc. is incorporated in Delaware, maintains its
16 headquarters in Providence, Rhode Island, and regularly conducts business
17 throughout the United States, including the Central District of California.

18 **JURISDICTION AND VENUE**

19 6. This Court has subject matter jurisdiction pursuant to 31 U.S.C. §
20 1331 and 31 U.S.C. § 3732, which confer jurisdiction on this Court for actions
21 brought under 31 U.S.C. §§ 3729 and 3730.

22 7. This Court has jurisdiction over the Defendants pursuant to 31 U.S.C.
23 § 3732(a), which authorizes nation-wide service of process. Moreover, defendants
24 transact business in this district.

25 8. Venue is proper in this district pursuant to 31 U.S.C. § 3732(a)
26 because the Defendants can be found in, reside in, and/or transact business in the
27 Central District of California. Defendants are registered to do business in
28 California, and have a process agent in this district.

SUBSTANTIVE ALLEGATIONS

THE H-1, "HUEY," HELICOPTER "UPGRADES" CONTRACT

9. Since the 1960s, Bell Helicopter designed, manufactured, and sold helicopters to the United States Marine Corps. The Company's most famous helicopter fleet is the United States Marine Corps H-1 "Huey" series, which includes a utility helicopter, the UH-1, and an attack helicopter, the AH-1, or "Cobra," both first used in the early 1960s during the Vietnam War.

10. In the early 1990s, the Marine Corps wanted to improve its Hueys by adding a four-blade rotor system and glass cockpit and by improving their airframes. At the time, Bell Helicopter was having problems fulfilling its only large federal contract — to build the V-22 Osprey Tiltrotor aircraft helicopters — and the Company believed that securing a contract to improve the Hueys was critical to its future.

11. In 1996, the Marine Corps invited the Company to submit a proposal to "upgrade" the attack and utility H-1s. This contract would not be competitively bid — instead, if Bell Helicopter submitted a proposal within the Marine Corps specifications and budget, it could win the contract. The contract was to be a "cost-plus reimbursement" one: that is, the federal government agreed to reimburse all costs, though as a bidder Bell Helicopter was obligated to provide careful and honest estimates of its projected costs and budgets prior to, and as a condition to, its being awarded any contracts. Pursuant to the Truth in Negotiations Act ("TINA"), federal government contractors must submit accurate cost and pricing information, particularly in non-competitive contracts, where the government depends on a single proposal to award contracts for millions, or even billions, of dollars. Bell Helicopter did not do so here.

12. Based on the Marine Corp's requirements, Bell Helicopter estimated that it would cost the Company approximately \$1 billion to satisfy the terms of this contract. But before submitting its bid, the Company learned from a high-

1 level government official that it would only get the contract if it bid less than \$500
2 million. Consequently, the Company doctored its internal estimates, and on or
3 about August 1996, submitted a bid of \$497 million; it structured its bid to fit
4 within the parameters of what it knew the government would accept rather than
5 what it believed to be its true costs; and, in so doing it, severely and haphazardly
6 cut its “internal” cost estimates for engineering hours, labor costs, and material
7 costs. Despite its representations, the Company had not even begun ramping up
8 for the project, and had also falsely represented that it had already selected a
9 subcontractor to develop the Target Sight System for the helicopters. The
10 Company knew, however, that it had to manufacture that costly system from
11 scratch, and that many of the component parts were obsolete or soon would be
12 obsolete.

13 13. In October 1996, the United States Marine Corps awarded the
14 Company this “cost plus reimbursement” contract based on the false pricing and
15 costs data that the Company provided. The contract is called Engineering,
16 Manufacturing and Development Contract No. N00019-96-C-0128 (the “H-1
17 Upgrades Program Contract”).

18 14. Bell Helicopter submitted false information to procure this contract
19 because: a) it desperately wanted the contract; b) the contract was a “cost plus
20 reimbursement” one, so the Company would be reimbursed even if it exceeded its
21 \$497 million estimate; c) the government does not often abandon military
22 contracts mid-stream; and d) the Company viewed the contract as a prelude to
23 lucrative “initial production” and later large-scale production contracts for fleets
24 of the “upgraded” H-1 helicopters — in many ways, the Company believed its
25 future rested on getting this contract.

26 15. The Company’s assessment that it could obtain payments exceeding
27 the initial bid and that the contract would lead to production contracts proved
28 correct: so far, Bell Helicopter has obtained more than \$1 billion from the

1 “upgrades” contract, which has not yet been completed, and it has already been
2 awarded a \$207 million “initial production” contract.

3 **RE-AUTHORIZATION FOR THE H-1 UPGRADES CONTRACT NO.**
4 **N00019-96-C-0128 FOLLOWING THE NUNN-MCCURDY BREACH**

5 16. A Nunn-McCurdy breach of contract occurs when a government
6 contractor exceeds its budget by 25%. Defense contracting legislation, referred to
7 as the Nunn-McCurdy Amendment, requires the Defense Department and
8 Congress to review the need and viability of all weapons programs whose costs
9 exceed their original estimates by 25%.

10 17. By 2002, Bell Helicopter’s costs on the H-1 Upgrades Program
11 Contract exceeded its originally estimated costs of \$497 million by more than
12 25%. Because of this breach, in April 2002, the Defense Acquisition Board
13 convened to determine the viability of the H-1 Upgrades Program Contract, and
14 the Defense Department ordered the Company to provide accurate cost and pricing
15 information estimating the cost to complete the H-1 Upgrades Program Contract.
16 But fearing that the government would terminate the contract, the Company again
17 intentionally submitted false cost and pricing data. This time its internal estimate
18 of the cost of completing the contract exceeded the estimate it submitted to the
19 government by \$200 million. Contemporaneous internal correspondence and
20 memoranda reveal that Bell Helicopter continued to view this contract as critical
21 to its survival.

22 18. Based, in part, on Bell Helicopter’s false statements, the Defense
23 Department recommended continuing the H-1 Upgrades Program Contract, and
24 Congress authorized continued funding for it, which was necessary because of the
25 Nunn-McCurdy breach.

26 19. Following these decisions, but apparently based in part on the false
27 statements made by Bell Helicopter officials, the Company’s H-1 Program
28

1 Director, at the time, and the then H-1 Program Deputy Director resigned from the
2 Company.

3 **THE "LOW RATE INITIAL PRODUCTION" CONTRACT**

4 20. On or about October 30, 2003, the United States and Bell Helicopter
5 entered into a "fixed price" contract requiring Bell Helicopter to begin producing
6 six "upgraded" Huey helicopters and three AH-1 Cobra Helicopters at a firm,
7 "fixed" price of \$207 million.

8 21. Because this was a "fixed price" contract, Bell Helicopter would
9 profit if its costs were less than \$207 million in violation of the Federal
10 Acquisition Regulations, but would sustain a loss to the extent that its cost
11 exceeded that amount. The Federal Acquisition Regulations specify how
12 contractors assign, accumulate, allocate, measure, and otherwise account for the
13 costs they incur in performing contracts with the United States. These regulations
14 also specify costs that the government will and will not reimburse.

15 22. When it became clear that it could not complete the contract for less
16 than the "fixed price" of \$207 million, the Company charged more than \$24
17 million of its costs and shifted tens of thousands of hours of billing time from the
18 "fixed price" production contract to the "the cost plus reimbursement" H-1
19 Upgrades Program Contract.

20 23. Preceding this fraud, John Fuller, then the H-1 Program Director, told
21 various Bell Helicopter managers that because Bell Helicopter was losing money
22 on the "fixed price" contract, the Company would charge certain work that it had a
23 duty to perform under that "fixed price" contract to the H-1 Upgrades Program
24 Contract, a "cost plus reimbursement" contract for which there was no fixed price
25 cap.

26 24. To foster this fraud, Luanne George, a subordinate of Mr. Fuller,
27 altered Company books and records and created false entities to support false
28

1 billing invoices; under Mr. Fuller's direction, Company employees also falsely
2 charged tens of thousands of hours of engineering labor to the "cost plus
3 reimbursement" contract.

4 **ARMED RECONNAISSANCE HELICOPTERS' CONTRACT**

5 25. In July 2005, the United States Army awarded Bell Helicopter a
6 \$210.7 million contract to build and design several armed reconnaissance
7 helicopters.

8 26. Prior to this contract award, two Bell Helicopter employees obtained
9 proprietary information from a competitor, which the Company then used it
10 making its bid. At the same time, the Company made additional false
11 representations to obtain the contract. For example, knowing the Army wanted the
12 contract completed within eight months, Bell Helicopter falsely represented that it
13 already had a "prototype" of the armed reconnaissance helicopter, and had
14 developed "off the shelf," ready to immediately use avionics, electronics, and rotor
15 systems. In fact, the Company did not have a prototype; nor had it developed
16 these systems.

17 27. Lacking a genuine prototype, Bell Helicopter used a Commercial 407
18 Helicopter, which it "dressed up" (i.e. disguised) and falsely represented to be the
19 "prototype." The Company used this commercial helicopter as a false facade —
20 pretending it was the prototype and playing a shell game whereby it moved this
21 fake "prototype" from job site to job site to deceive government officials and
22 inspectors into believing that the Company had performed significant work.
23 Additionally, these helicopters still lack sufficient engine power to fly in combat.

24 **THE COAST GUARD MODERNIZATION AND PRESIDENTIAL 25 HELICOPTER CONTRACTS**

26 28. In 2003, Bell Helicopter received a subcontract as part of the Coast
27 Guard Modernization Deep Water Program to build an unmanned vehicle. Bell
28 Helicopter falsely represented in its contract proposal that it had a prototype for

1 this vehicle. Similarly, in 2005, Bell Helicopter falsely represented in its bid
2 proposal to obtain a subcontract to build the airframe for the United States Navy's
3 Presidential Helicopters, the VH-71, that it had the capability to perform that task.

4 **THE RELATOR'S DEMOTION FOR FAILING TO CERTIFY FALSE**
5 **COST ESTIMATES**

6 29. In early March 2006, Mr. Fuller, still the Company's H-1 Program
7 Director, and Matthew Krompass, its Deputy H-1 Program Director, asked the
8 Relator for new labor estimates to complete work on pending H-1 helicopter
9 contracts. Presumably, these figures would be incorporated in certifications, work
10 progress reports, and other required documents periodically forwarded to the
11 government based on contractual and funding requirements.

12 30. Subsequently, Mr. Fuller and Mr. Krompass told the Relator that the
13 estimates he prepared overstated the required projected costs and labor. Without
14 doing any research of their own, Mr. Fuller and Mr. Krompass randomly reduced
15 the labor and costs listed in the projected estimates, in most cases simply by
16 crossing out calculations the Relator had made after carefully assessing the
17 contractual requirements and plugging in estimates many times lower. They then
18 ordered the Relator to confirm that the numbers they randomly inserted accurately
19 estimated future costs. When the Relator hesitated, Mr. Fuller told him that he
20 might be fired if he did not ratify these fraudulent numbers. The Relator, however,
21 agreed to review his figures even though he believed that Mr. Fuller was
22 pressuring him to confirm false estimates to conceal false prior billings and to
23 facilitate future false charges.

24 31. A few days later after reviewing his estimates and speaking to
25 Company employees who reported to him, the Relator confirmed the accuracy of
26 his estimates and confirmed his view that the numbers that Mr. Fuller wanted him
27 to attest to grossly understated the costs and labor requirements for future work.
28 Following this investigation, the Relator again informed his superiors that he

1 could not support their numbers. Thereafter, on March 10, 2006, Mr. Fuller told
 2 the Relator that he would be demoted, losing his supervisory rank as Bell
 3 Helicopter's H-1 Air Vehicle Director, and would no longer be eligible to receive
 4 incentive bonuses. In addition, the Company then transferred the Relator to a new
 5 work facility, also in Texas, but several hundred miles away from where he had
 6 lived and worked. Ironically, on March 10, 2006, the day he was demoted for
 7 failing to sign false certification statements, the Relator received a \$22,300 bonus
 8 from Bell Helicopter for his work in 2005 (his annual salary had been
 9 approximately \$165,000), and the Company sent him a letter commending his job
 10 performance.

11 32. Although in retaliating against the Relator for refusing to participate
 12 in fraud the Company failed to follow its internal procedures relating to transfers
 13 and demotions, the Relator accepted the transfer, and soon applied for work with
 14 other contractors. Because of his reputation, he immediately received interview
 15 offers. By May 2006, after resigning from Bell Helicopter, where he worked for
 16 approximately 10 years and had steadily moved his way up the Company ladder,
 17 he took a new executive job for another defense contractor in Los Angeles.

18 **COUNT ONE**

19 **(False Claims Act, 31. U.S.C. § 3729(a)(1))**

20 **(Against All Defendants)**

21 33. The Relator realleges and incorporates by reference all paragraphs set
 22 forth herein.

23 34. By virtue of the acts described above, Bell Helicopter knowingly or
 24 acting in deliberate ignorance or reckless disregard presented or caused to be
 25 presented to the United States false or fraudulent claims for payment or approval
 26 in violation of the FCA.

27 35. Because of these acts, the United States has suffered damages.

COUNT TWO

(False Claims Act, 31. U.S.C. § 3729(a)(2))

(Against All Defendants)

36. The Relator realleges and incorporates by reference all paragraphs set forth herein.

37. By virtue of the acts described above, Bell Helicopter knowingly or acting in deliberate ignorance or reckless disregard made, used, or caused to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the United States in violation of the FCA.

38. Because of these acts, the United States has suffered damages.

COUNT THREE

(False Claims Act, 31. U.S.C. § 3729(a)(3))

(Against All Defendants)

39. The Relator realleges and incorporates by reference all paragraphs set forth herein.

40. By virtue of the acts described above, Bell Helicopter conspired to defraud the United States by getting a false or fraudulent claim allowed or paid in violation of the FCA.

41. Because of these acts, the United States has suffered damages.

COUNT FOUR

(Common Law Fraud)

(Against All Defendants)

42. The Relator realleges and incorporates by reference all paragraphs set forth herein.

43. The false records or statements made by defendants, as described above, were misrepresented and concealed material facts.

44. Bell Helicopter knowingly and/or in reckless disregard of the truth misrepresented and concealed material facts.

45. Bell Helicopter made these misrepresentations of material fact or failed to disclose material facts intending that the United States would rely on their accuracy in evaluating Bell Helicopter's contract proposal, in granting the contract, and in paying their claims in connection with the contract award.

46. The United States justifiably relied on Bell Helicopter's false and misleading representations in evaluating Bell Helicopter's contract applications, in granting their contract award, and in paying their claims in connection with this contract.

47. Bell Helicopter defrauded the United States.

48. Bell Helicopter's has caused the United States to suffer damages.

COUNT FIVE

(Unjust Enrichment)

(Against All Defendants)

49. The Relator realleges and incorporates by reference all paragraphs set forth herein.

50. The United States paid Bell Helicopter monies for which the United States received no benefit and to which it was not entitled.

51. By reason of these payments, Bell Helicopter has been unjustly enriched at the expense of the United States.

52. The United States is entitled to the amount of the Bell Helicopter's unjust enrichment as damages.

COUNT SIX

(Payment Under Mistake of Fact)

(Against All Defendants)

53. The Relator realleges and incorporates by reference all paragraphs set forth herein.

54. The United States paid or approved the claims submitted by defendants under the erroneous belief that the statements defendants made in their contract proposal and contract claims at issue were truthful.

55. The United States' erroneous beliefs were material to the amount of money the United States paid for Bell Helicopter's claims for the contract award.

56. Because of these mistakes of fact, Bell Helicopter received money to which they were not entitled.

57. By reason of the overpayments described above, the United States is entitled to damages in the amount of overpayment.

COUNT SEVEN

(Truth in Negotiations Act 10 U.S.C.A. § 2306a)

(Against All Defendants)

58. Relator realleges and incorporates by reference all paragraphs set forth herein.

59. The false records or statements made by Bell Helicopter, as described above, involved cost and/or pricing data.

60. The false records or statements made by Bell Helicopter misrepresented or concealed material fact.

61. The United States justifiably relied on Defendants' false and misleading and defective data in evaluating Bell Helicopter's contract applications, in granting their contract award, and in paying their claims.

62. By virtue of these acts, Bell Helicopter caused false and inaccurate cost and pricing data to be presented to plaintiff United States in the course of negotiation of a contract in violation of the TINA.

63. Defendant, Bell Helicopter, caused the United States to suffer damages.

COUNT EIGHT

(False Claims Act, 31. U.S.C. § 3730(h))

(Against All Defendants)

64. The Relator realleges and incorporates by reference all paragraphs set forth herein.

65. Bell Helicopter's conduct, including but not limited to his demotion from the executive and incentive compensation ranks was retaliation against him for failing to participate in the scheme to defraud the United States.

66. The Relator is entitled to damages as set forth in 31 U.S.C. §3730(h).

WHEREFORE, RELATOR DEMANDS JUDGEMENT AGAINST DEFENDANTS AS FOLLOWS:

A. On Counts One, Two and Three, judgment against Defendants for treble the damages sustained by the United States, plus civil monetary penalties for false claims and statements as allowable by law;

B. On Counts Four, Five and Six judgment against Defendants for the damages sustained by the United States;

C. On Count Seven, judgment against Defendants for the damages sustained by the United States

D. On Count Eight judgment against Defendants for the damages sustained by Relator, Ron Bell;

E. The Relator respectfully request leave of the Court to amend the Complaint when the amount of damages has been fully ascertained or to amend the Complaint to conform to proof at or prior to trial;

F. For costs, fees, and other relief as may be must and proper;

G. For a ten percent (10%) surcharge in the amount of the debt owed pursuant to 28 U.S.C. § 3011.

DEMAND FOR A JURY TRIAL

Pursuant to Rule 38 of Federal Rules of Civil Procedure and pursuant to the local rules of Court, the Relator demands a jury trial as to all issues so triable.

Dated: July 7, 2006

Respectfully submitted by:

KREINDLER & KREINDLER LLP



MARK I. LABATON
HILARY B. TAYLOR

LAW OFFICES OF JEFFREY P. FLEITMAN



JEFFREY P. FLEITMAN

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

I (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/>) UNITED STATES OF AMERICA ex rel. [Under Seal]		DEFENDANTS [Under Seal]	
(b) County of Residence of First Listed Plaintiff (Except in U.S. Plaintiff Cases): Los Angeles		County of Residence of First Listed Defendant (In U.S. Plaintiff Cases Only):	
(c) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) Mark I. Labaton (SBN 159555) KREINDLER & KREINDLER LLP 707 Wilshire Boulevard, Suite 5070 Telephone (213) 622-6469; Facsimile (213) 622-6019 mlabaton@kreindler.com		Attorneys (If Known)	

II. BASIS OF JURISDICTION (Place an X in one box only.) <input checked="" type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border: none;"> <tr> <td style="width:35%;">Citizen of This State</td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:35%;">Incorporated or Principal Place of Business in this State</td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td></td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td></td> <td style="text-align: center;"><input type="checkbox"/> 4</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF		<input type="checkbox"/> 1	<input type="checkbox"/> 1		<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. ORIGIN (Place an X in one box only.)
☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify): ☐ 6 Multi-District Litigation ☐ 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☒ Yes ☐ No (Check 'Yes' only if demanded in complaint.)
CLASS ACTION under F.R.C.P. 23: ☐ Yes ☒ No **MONEY DEMANDED IN COMPLAINT:** \$ 0

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
 31 U.S.C. 3729 et seq.

VII. NATURE OF SUIT (Place an X in one box only.)					
OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities /Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes	CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	TORTS PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 Habeas Corpus <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition FORFEITURE/PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) (405(g)) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609

VIII(a). IDENTICAL CASES: Has this action been previously filed and dismissed, remanded or closed? ☒ No ☐ Yes

If yes, list case number(s):

FOR OFFICE USE ONLY: Case Number:

CV-06-4347

GPS

MIX

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

VIII(b). RELATED CASES: Have any cases been previously filed that are related to the present case? ☒ No ☐ Yes

If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: List the California County, or State if other than California, in which **EACH** named plaintiff resides (Use an additional sheet if necessary)☒ Check here if the U.S. government, its agencies or employees is a named plaintiff.

Los Angeles

List the California County, or State if other than California, in which **EACH** named defendant resides. (Use an additional sheet if necessary).☐ Check here if the U.S. government, its agencies or employees is a named defendant.

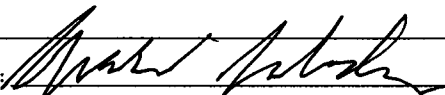
Texas, Rhode Island

List the California County, or State if other than California, in which **EACH** claim arose. (Use an additional sheet if necessary)

Note: In land condemnation cases, use the location of the tract of land involved.

Texas / Federal

X. SIGNATURE OF ATTORNEY (OR PRO PER):



Date July 11, 2006

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge George P. Schiavelli and the assigned discovery Magistrate Judge is Jeffrey W. Johnson.

The case number on all documents filed with the Court should read as follows:

CV06- 4347 GPS (JWJx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.